

We Effect

Anti-corruption and integrity policy

Document name	We Effect Anti-corruption and integrity policy	Document type	Governing document
Author	Ewa Rutqvist Holmstedter	Valid from date	18/02/2019
Reviewer/s	Anna Maria Johansson, Daniela Fitger	Applies to	Global
Approver	Anna Tibblin		

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1. Purpose and Scope

The purpose of this policy is to establish organisational measures to prevent, detect and combat corruption efficiently and effectively, to promote integrity and accountability and to clearly define roles, responsibilities and courses of action.

This policy is valid for all staff, board members and interns/trainees/volunteers or consultants/service providers acting on behalf of We Effect. It is a policy that applies for Sweden as well as all programme countries.

2. Introduction

Corruption poses a serious development challenge. It undermines democracy and good governance by subverting formal processes and it weakens economic development by generating inefficiency. Corruption increases the vulnerability of women and men living in poverty by denying them free and fair access to the services that they are entitled to. We Effect therefore has a **zero tolerance** against corruption.

Anti-corruption measures often target the effects of corruption, by focusing on internal control issues. Not denying the importance of having sound internal controls in place, We Effect also strives towards targeting the causes of corruption, by building integrity within the organisation. This entails working with our attitudes. We Effect believes this is possible, by an approach where choices and decisions are made in a way that puts self-respect over self-gain.

3. What is corruption?

We Effect defines corruption as “The abuse of entrusted power for illegitimate individual or group benefit”.

Petty corruption encourages and lays the basis for large-scale corruption. It is therefore not possible to distinguish between practices that may be generally accepted or expected, and those that may be considered more serious.

Common forms of corruption include, but are not limited to:

- **Favoritism/nepotism:** The unfair favoring of a person or group at the expense of others and favoring of relatives or personal friends because of their (close) relationship rather than their abilities.¹
- **Bribery:** To offer, give or receive an item of value intended to influence the actions of an official or other person involved in decision making.

¹ Persons, physical or legal, are considered close if one person has the possibility to exert control, or significant influence, over the other person when it comes to financial and operative decision-making. This includes relatives, close friends or persons who have other tight bonds to staff members involved in decision making. Having situations where transactions between closely associated parties occur can create opportunities for, or suspicion of, corruption. Such relations must therefore always, if they cannot be avoided, be known and transparent. In these situations, a risk analysis will be made to determine if certain procedures and processes should be changed for the specific situation, in order to reduce the risks involved. Transactions with closely associated parties must be reported, using a designated form sent out yearly.

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- **Sharing of profits:** When a supplier of goods or services offers part of the profit to the one/s placing the order, such as kickbacks, cuts etcetera.
- **Diversion of resources for private gain:** Including fraud, misappropriation, and theft etc.
- **Misuse of position:** To use entrusted power for personal benefits e.g. request money, services, sexual favors etc. in exchange for advantageous staff benefits, a certain win in a tender process, private discount on purchases made from the supplier etc.
- Related practices include protecting corrupt individuals, concealing incidents that have occurred, etc. Negligence and/or mismanagement can be considered as corruption.

Human error is not the same as corruption or fraud. Recognising that all people make mistakes, We Effect shall strive to design administrative and control systems that minimize the risks of both intentional and unintentional error, and that makes deviations in any form easier to detect. We Effect is subject to Swedish legislation and regulations, independent of where and with whom the organisation is working. Local legislation, rules and regulations must be adhered to, but never as an excuse for supporting corrupt or other unethical behavior.

4. Preventing and learning

We Effect recognises that the availability of resources can cause opportunity for corruption and that weak organisational capacity increases the risks. Clear rules and regulations, including segregation of duties and well-understood internal control routines, are the basis for the prevention of corruption. Equally important, however, is the need to actively promote an organisational culture focusing on transparency, strong and shared ethical values, trust and good governance.

Awareness about anti-corruption issues is essential in order to combat the problems, and the aim is to create a proactive attitude in the identification and mitigation of risks. We Effect's preventive efforts will focus on the continuous improvement of administrative and control systems, as well as capacity building and awareness raising for the people that implement them.

In order to enhance and develop internal control systems, We Effect needs to constantly learn from both mistakes made by human error and from confirmed corruption cases. A culture of openness and integrity is essential to learning. To raise concerns about risks and weaknesses in systems already in place, or to suggest improvements or mitigation measures, shall always be encouraged. Reflecting upon errors committed is, and shall be considered, something positive.

To prevent corruption, We Effect's own staff must act in a way that signals high ethical values. We Effect's Code of Conduct defines the values our employees shall adhere to.

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5. Detection and obligation to report

Corruption is often difficult to detect. Knowledge about the local context is needed. Board members, staff members, as well as interns/trainees/volunteers or consultants/service providers acting on behalf of We Effect are obliged to immediately report on any suspected cases of corruption. This includes any suspicion of wrongdoing by We Effect staff, someone acting on behalf of We Effect or the employees and board members of a partner organisation.

To mitigate risks and ensure quality in our development work, it is necessary to have good working relationships with our partner organisations as well as efficient monitoring of ongoing projects. Failure to report suspicion may lead to legal action or other disciplinary measures. Fear of losing public or financial support will never be accepted as an excuse for failure to report.

Normally incidents are reported by We Effect staff using the Incident report system but We Effect also has an external system for open or anonymous Whistle blowing, this system can be reached through the following link:

<https://report.whistleb.com/weeffect>.

6. Taking action

We Effect has a zero tolerance against corruption. All cases must be reported, and all cases will be addressed.

We Effect reserves the right to freeze or withdraw agreed support, or deny additional funding, when suspicion of corruption exists at a partner organisation. If in compliance with local labour law, We Effect reserves the right to suspend a staff member from duty (with salary and benefits intact) during the internal investigation if suspicion of corruption exists. Partner organisations are responsible for taking measures against their own employees and board members. If needed, We Effect can give support in the process.

We Effect will take all available legal action to restore lost funds and to make the responsible people accountable. We Effect will also analyze confirmed cases to see what lessons can be learned and if systems, routines and trainings can be changed to minimize future risks of corruption.

7. Responsibilities

In practice, prevention and detection of corruption is the continuous responsibility of all involved in development cooperation financed by We Effect, in Sweden as well as in our programme countries, and should thus be embedded in the carrying out of our day to day activities. All We Effect staff are responsible for adhering to this policy.

Board and management are utmost accountable when it comes to combating corruption. Managers, both in Sweden and in the regions, are responsible for implementing the policy and addressing incidents in their respective areas of operations. The specific responsibility to develop and monitor the global work against

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corruption lies with the Administrative Director in Stockholm in collaboration with the Director of the International Department in Stockholm and the Regional Directors.

8. Learn from experience

Once an issue has been resolved and depending on its nature, steps should be taken to ensure that lessons learned throughout the organisation in order to better avoid similar situations in the future.

We Effect will take action to improve internal control systems, routines, methods etc. based on the experience. Person in charge will depend on the situation.

In order to maintain and build trust as well as to learn from experience, it is We Effect's policy to be transparent with information concerning corruption cases at the earliest possible stage.

9. Security concerns

Security issues must be considered when a potential corruption case is discovered. We Effect will not endanger the security of staff or partner organisations due to strict adherence to the anti-corruption policy.

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